

United States Department of Agriculture
Agricultural Marketing Service

Directive

1633.2

1/9/07

PRE-TAX PARKING BENEFIT PROGRAM

I. PURPOSE

This Directive establishes the pre-tax parking benefit program for the Agricultural Marketing Service (AMS). The authority, policy, and responsibilities for managing the pre-tax parking benefit program within AMS are provided.

II. AUTHORITIES

- A. Executive Order 13150, dated April 21, 2000.
- B. Title 26 Code of Federal Regulations, Part 1, "Qualified Transportation Fringe Benefits," §1.132-9.
- C. 5 United States Code 7905.

III. POLICY

- A. AMS supports programs that improve air quality and reduce traffic congestion, and encourages its employees to commute to work by methods other than single-occupant vehicles.
- B. The pre-tax parking benefit program applies to employees who park at eligible parking locations (e.g., Metro parking lot, commercial parking lot, privately-owned parking lot, parking garage, parking meter, or employer-provided parking) and who take mass transportation, serve as the primary driver in a vanpool, or serve as the primary driver in a carpool of two or more persons to commute to work. A primary driver of a vanpool or carpool is defined as driving a minimum of 50 percent (e.g., at least 5 of every 10 work days) of the time.
- C. Employees may be eligible for both commuter transit subsidy benefit and pre-tax parking benefits simultaneously.
- D. The pre-tax parking benefit program is an employee pre-tax (excludes certain parking expenses from the employee's taxable income) authorization **only**. There is no cost to AMS.

Distribution: AMS

Originating Office: C&A

IV. RESPONSIBILITIES

A. The M&RP Transit Program Manager will provide Agency transit coordinators with training, technical assistance, and consultative services regarding pre-tax parking.

B. Program Commuter Transit Subsidy Coordinators will:

1. Publicize the benefit to employees;
2. Answer questions regarding the pre-tax parking benefit program;
3. Accept and review the AD-1185, Pre-Tax Parking Application, from employees to determine eligibility and accuracy of data;
4. Approve eligible AD-1185, Pre-Tax Parking Applications;
5. Submit the approved AD-1185, Pre-Tax Parking Application, to the APHIS, Human Resources Division (HRD), Human Resources Operations (HRO) – Minneapolis, Processing Section for entry into the National Finance Center (NFC) personnel/payroll system; and,
6. Maintain documentation for all pre-tax parking benefit program participants.

C. Managers and Supervisors will:

1. Advise employees of their responsibilities, rights, and benefits; and,
2. Take appropriate action (e.g., consult with the Program Commuter Transit Subsidy Coordinator) when it is suspected that an employee is receiving a pre-tax parking benefit for which the employee is not eligible.

D. Participating Employees will:

1. Consult with the Program Commuter Transit Subsidy Coordinator and/or refer to the USDA's "Frequently Asked Questions and Answers for Pre-Tax Parking" guide which can be found at <http://www.usda.gov/da/shmd/transit.html>;
2. Complete an AD-1185, Pre-Tax Parking Application to certify eligibility for a pre-tax parking benefit;
3. Provide proof of use of a qualified parking facility, (e.g., Metro lot, private lot, public lot, parking meter, etc.) to the Program Commuter Transit Subsidy Benefit Coordinator. If such proof is not available, the employee's initial certification will suffice;

4. Claim the parking facility cost (maximum authorized by law or the actual cost, whichever is less) only for commuting to or from work; and,
5. Submit an AD-1185, Pre-Tax Parking Application immediately to the Program Commuter Transit Subsidy Coordinator when there is an increase/decrease in parking rates which is less than the maximum allowable benefit, or, to cancel the pre-tax parking benefit when the employee becomes ineligible for any reason.

V. PROGRAM ADMINISTRATION

A. Employees who park at eligible parking locations (e.g., Metro parking lot, commercial lot, privately owned parking lot, parking garage, parking meter, or employer provided parking), and who take mass transportation, serve as the primary driver in a vanpool, or serve as the primary driver in a carpool of two or more persons to commute to work will be authorized to exclude certain parking expenses from their taxable income up to \$205.00 per month (or any subsequent statutory limit), or their actual parking cost whichever is less. A primary driver of a vanpool or carpool is defined as driving a minimum of 50% (e.g., at least 5 of every 10 work days) of the time.

B. Parking on or near property used by the employee for residential purposes does not meet pre-tax parking benefit program eligibility requirements.

C. Employees must complete the AD-1185, Pre-Tax Parking Application (Attachment 1 to this Directive). The employee's pre-tax parking benefit becomes effective on the date that the employee's AD-1185 is signed by the Program Commuter Transit Subsidy Coordinator.

D. Drivers, alternate drivers, and passengers of vanpools and carpools who receive a **free** Federal parking benefit are not eligible.

VI. INQUIRIES

Employees should contact their servicing Program Commuter Transit Subsidy Coordinator with any questions. Program Commuter Transit Subsidy Coordinators should contact the M&RP Transit Program Manager at (301) 734-3819 with any questions.

/s/

Lloyd C. Day
Administrator

Attachment